

# Sonoma County Economic Forecast

Sonoma County is a member of the nine-county San Francisco Bay Area region, contributing 7 percent of the population and 6 percent of total wage and salary employment. Sonoma County is known for its wine grape region and world-class wines. Consequently, it is a principal tourist destination in California, together with adjacent Napa County.

The county's population in January 2003 was 472,700. The largest city is Santa Rosa with 154,500 residents. Santa Rosa has been experiencing relatively healthy population growth over the last 5 years, averaging 2.2 percent per year. Smaller cities in the county, including Windsor and Cloverdale, are growing more rapidly.

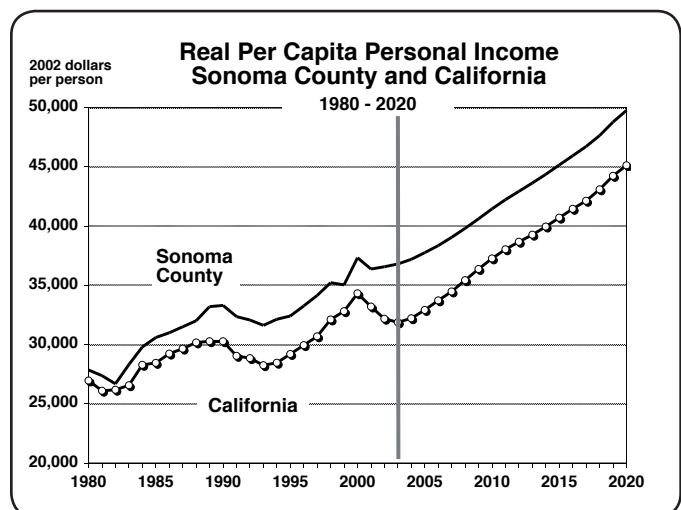
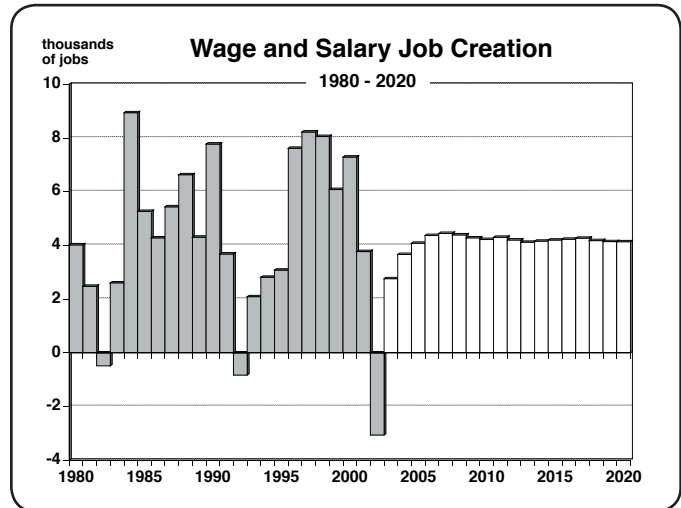
The principal employment sectors are wholesale and retail trade, healthcare services, local education, construction, scientific instruments manufacturing, and food manufacturing. Basic professional and personal services provide most of the jobs in the county.

In 2002, non-farm employment declined 1.1 percent, a negligible loss compared to San Francisco and Santa Clara Counties where substantial reductions in jobs were recorded. There are currently 187,700 jobs in the non-farm sector and 6,000 jobs in the farm sector.

Net migration into the county averages about 2,000 persons per year. Residential building declined from just over 2,500 units in 2001 to 1,835 homes in 2002. Over the next several years, residential building is forecast to accelerate, as more jobs are created in Sonoma County.

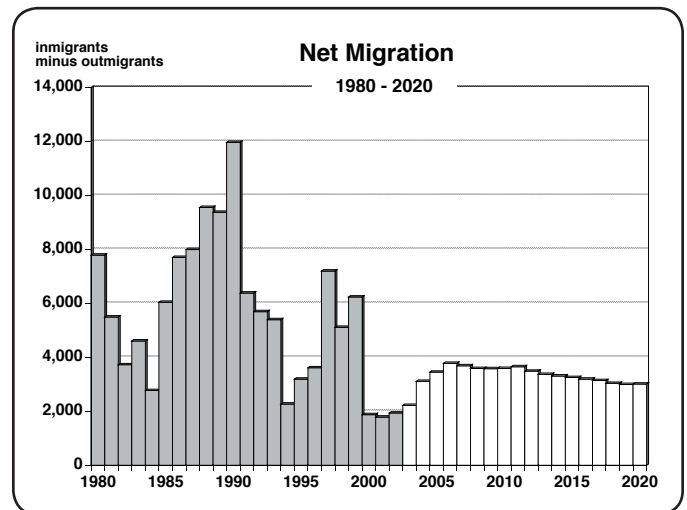
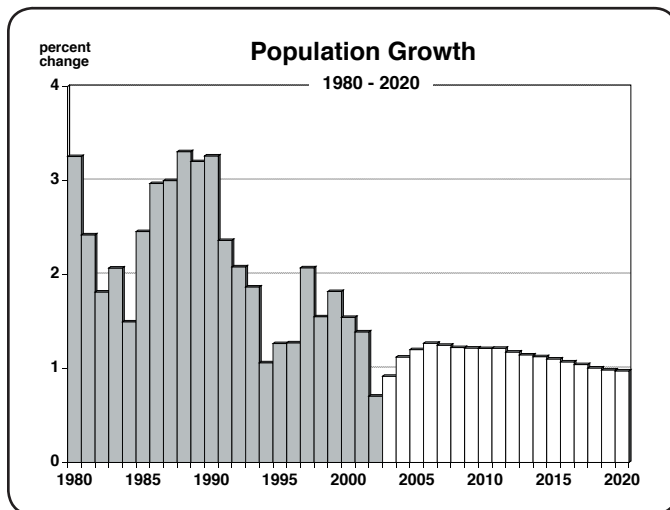
## Forecast Highlights

- Because of the relative affordability of housing in Sonoma County, and the ability to get housing entitled, more units will be built and more jobs will be accommodated. Non-farm job growth is forecast to average 2.1 percent per year from 2003 to 2008. Farm employment also increases 2.0 percent per year over the same time frame. Between 2010 and 2020, employment growth averages 1.7 percent per year.
- Both durable and non-durable manufacturing employment will create only a moderate number of jobs in the county over the next several years. Beverage bottling capacity will continue to expand through the decade, and that will provide some opportunity for employment. But no major increase in the workforce will be needed, in view of the advent of labor-replacing



machinery. The durable manufacturing sector will continue to face stiff competition in production and assembly, from Asian countries.

- The services sector is expected to remain the dominant employment sector, contributing 30 per-cent of all wage and salary jobs in 2003. Employment in services is expected to grow at a 3.1 percent annual compound rate of growth over the next 5 years.
- Real per capita income is the ratio of total personal income to population, adjusted for inflation. Real per capita personal income is forecast to rise just 1.6 percent over the next 5 years. Total personal income will grow 2.8 percent per year from 2003 to 2008.

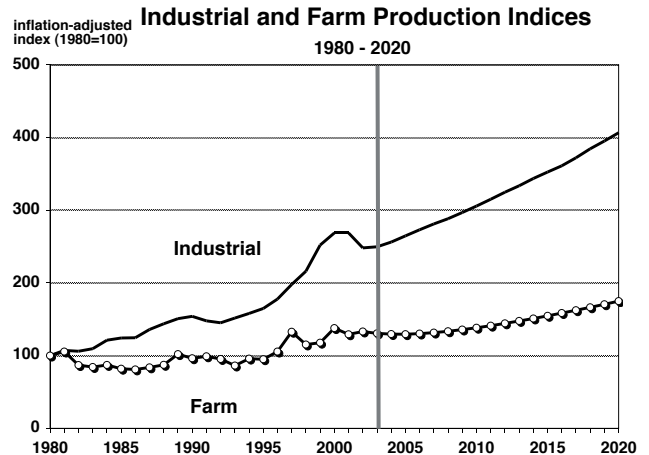
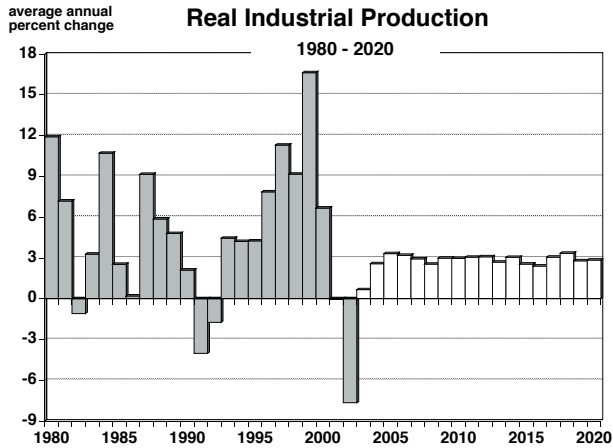


## Sonoma County Economic Forecast

### 1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	424,300	3,192	398	160.6	1,927	\$3.0	\$10.8	\$32,405	\$343	\$2.9
1996	429,700	3,613	404	162.2	1,464	\$3.2	\$11.5	\$33,265	\$390	\$3.1
1997	438,600	7,198	390	163.8	2,121	\$3.4	\$12.4	\$34,144	\$507	\$3.5
1998	445,400	5,111	417	165.3	2,964	\$3.6	\$13.5	\$35,221	\$454	\$3.8
1999	453,500	6,236	431	167.2	3,052	\$4.1	\$14.2	\$35,037	\$483	\$4.4
2000	460,500	1,877	454	171.6	2,555	\$4.6	\$16.1	\$37,321	\$591	\$4.7
2001	466,900	1,787	468	174.2	2,568	\$4.7	\$16.7	\$36,366	\$584	\$4.7
2002	470,200	1,936	479	175.9	1,835	\$4.7	\$17.2	\$36,562	\$611	\$4.3
2003	474,513	2,219	482	177.6	2,401	\$4.9	\$17.9	\$36,802	\$615	\$4.4
2004	479,837	3,111	487	179.8	2,602	\$5.1	\$18.8	\$37,188	\$627	\$4.5
2005	485,600	3,451	493	182.2	2,816	\$5.4	\$19.9	\$37,757	\$644	\$4.6
2006	491,756	3,779	500	184.9	2,729	\$5.7	\$21.0	\$38,349	\$666	\$4.8
2007	497,887	3,686	509	187.4	2,658	\$5.9	\$22.2	\$39,045	\$690	\$4.9
2008	503,976	3,586	517	189.9	2,669	\$6.2	\$23.5	\$39,805	\$718	\$5.0
2009	510,111	3,578	525	192.4	2,687	\$6.5	\$24.9	\$40,611	\$750	\$5.2
2010	516,298	3,590	533	194.9	2,720	\$6.8	\$26.4	\$41,450	\$785	\$5.3
2011	522,572	3,651	541	197.5	2,604	\$7.2	\$28.1	\$42,233	\$824	\$5.5
2012	528,709	3,487	549	199.9	2,521	\$7.5	\$29.7	\$42,930	\$867	\$5.7
2013	534,759	3,367	557	202.3	2,465	\$7.9	\$31.4	\$43,640	\$913	\$5.8
2014	540,779	3,310	564	204.6	2,410	\$8.3	\$33.2	\$44,361	\$960	\$6.0
2015	546,733	3,253	572	206.8	2,353	\$8.7	\$35.1	\$45,153	\$1,010	\$6.2
2016	552,585	3,191	580	209.0	2,302	\$9.1	\$37.1	\$45,938	\$1,064	\$6.3
2017	558,341	3,140	588	211.2	2,233	\$9.6	\$39.2	\$46,714	\$1,122	\$6.5
2018	563,956	3,037	596	213.3	2,203	\$10.1	\$41.6	\$47,641	\$1,183	\$6.7
2019	569,504	2,994	604	215.3	2,213	\$10.6	\$44.2	\$48,780	\$1,245	\$6.9
2020	575,051	3,009	611	217.4	2,173	\$11.1	\$46.7	\$49,764	\$1,310	\$7.1

- Median home selling prices are forecast to rise 2.7 percent per year, adjusted for inflation. Housing is still relatively affordable in the county (at \$350,000), compared to other San Francisco Bay Area counties, and less production of new housing will put downward pressure on home prices.
- The population grows at a 1.2 percent rate over the next 5 years. The dominant component of growth is migration, rather than the natural increase. Net migration will average more than 3,000 people per year.



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
156	5.5	7.5	0.5	21.9	5.7	38.6	9.8	41.3	25.1
163	5.8	8.3	0.5	23.6	5.9	40.4	9.5	44.4	25.0
172	6.2	9.3	0.5	26.1	6.1	41.3	9.6	47.4	25.2
180	6.5	10.2	0.4	28.1	6.4	42.6	9.9	49.7	25.6
186	6.4	12.1	0.4	29.6	6.2	42.3	10.3	51.8	26.6
193	6.9	13.1	0.4	31.8	6.3	42.7	10.4	53.8	27.6
197	7.0	13.4	0.3	32.3	6.4	43.5	10.7	55.2	28.0
194	6.0	13.1	0.3	28.7	6.3	44.3	10.7	55.8	28.5
197	6.1	13.0	0.3	28.2	6.4	45.1	11.0	57.6	28.8
200	6.2	13.1	0.3	28.2	6.4	45.9	11.3	59.5	29.2
204	6.3	13.4	0.2	28.4	6.5	46.6	11.7	61.4	29.6
209	6.5	13.9	0.2	28.7	6.6	47.3	12.1	63.3	30.1
213	6.6	14.4	0.2	28.9	6.7	48.1	12.5	65.2	30.5
217	6.7	14.8	0.2	29.2	6.7	48.8	12.9	67.1	31.0
222	6.9	15.1	0.2	29.4	6.8	49.5	13.2	69.1	31.5
226	7.0	15.3	0.2	29.7	6.8	50.2	13.6	71.0	31.9
230	7.1	15.5	0.2	30.0	6.9	51.0	14.0	73.0	32.4
234	7.3	15.7	0.2	30.3	7.0	51.7	14.4	75.0	32.9
239	7.4	15.8	0.2	30.6	7.0	52.4	14.8	76.9	33.4
243	7.6	15.9	0.2	31.0	7.1	53.0	15.2	78.9	33.9
247	7.7	16.1	0.2	31.3	7.2	53.7	15.6	80.8	34.4
251	7.9	16.3	0.2	31.6	7.2	54.4	16.0	82.8	34.9
255	8.0	16.5	0.2	31.9	7.3	55.1	16.4	84.7	35.4
260	8.2	16.7	0.2	32.2	7.3	55.8	16.8	86.7	35.9
264	8.3	16.8	0.2	32.4	7.4	56.5	17.2	88.6	36.4
268	8.5	17.0	0.2	32.7	7.5	57.2	17.6	90.5	36.9

